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Policies and Procedures

Title: Incentive Awards Program

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This Directive provides information, procedures, and guidelines for using the Incentive Awards Program. It provides guidance to supervisors, managers, and employees on appropriate use of monetary and non-monetary awards and how to develop special awards programs.

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1. References

For information on:

- The Performance Appraisal System, see DIRECTIVE 418.3;
- The Suggestion Program, see DIRECTIVE 468.8;
- The Spot Awards Program, see DIRECTIVE 468.9;
- The Performance Management and Recognition System, see DIRECTIVE 468.6; and
- Compensation Systems for SL/ST employees, see DIRECTIVE 451.7.

2. Abbreviations

- AAO - Area Administrative Office
- CFR - Code of Federal Regulations
- DPM - Department Personnel Manual
- FPM - Federal Personnel Manual
- GM - Employees Covered by the Performance Management and Recognition System Pay Plan
- GS - General Schedule
- LERB - Labor and Employee Relations Branch
- OP - Office of Personnel
- PD - Personnel Division
- QSI - Quality Step Increase
- SES - Senior Executive Service
- SL - Senior Level Pay Plan
- ST - Scientific and Professional Pay Plan
- U.S.C. - United States Code
- WG - Wage Grade employees

3. Forms

- AD-287 - Recommendation and Approval of Awards
- AD-700 - Procurement Request
- AD-1164 - Claim for Reimbursement for Expenditures on Official Business

4. Definitions

Award means monetary and/or nonmonetary recognition granted for a contribution resulting in tangible benefits or savings and/or intangible benefits to the Government.

Contribution is an accomplishment achieved through an individual or group effort in the form of a suggestion, invention, or special act or service in the public interest connected with or related to official employment which contributes to efficiency or economy through cost reduction, productivity improvement, or any other improvement of Government operations, including paperwork reduction.

Employee is an individual who is appointed in the civil service by a Federal officer, engaged in performance of a Federal function under authority of law or Executive Act, subject to the supervision of a Federal officer while engaged in the performance of the duties of his/her position, and paid directly by the Federal Government.

Intangible Benefits are benefits to the Government which cannot be measured in terms of dollars saved or costs avoided.

Nonmonetary Award is a medal, letter of appreciation, plaque, or other appropriate item that has an award or honor connotation.

Performance Award is a performance-based cash payment to an employee based on a performance rating of record.

Quality Step Increase (QSI) is an additional within-grade increase which indefinitely raises the employee's rate of basic pay granted in recognition of sustained high quality performance.

Rating of record is the summary rating required at the time specified in DIRECTIVE 418.3.

Special Act or Service Award is a contribution or accomplishment in the public interest which is nonrecurring either within or outside of job responsibilities, a scientific achievement, or an act of heroism.

Superior Accomplishment Award is a monetary or nonmonetary award for a specific contribution resulting in tangible and/or intangible benefits or savings to the Government. Superior Accomplishment Awards are appropriate for suggestions, inventions, and special acts or services.

Tangible Benefits are benefits, savings, or cost avoidance that can be measured in terms of dollars.

5. Authorities

Title 5, U.S.C., Chapters 43, 45, 53, and 54

Title 5, CFR, Parts 430, 451, 531, and 540
FPM Chapters 430, 451, 531, and 540
DPM Chapters 430, 451, 531, and 540

6. Policy

It is ARS policy to:

- Establish and administer an Incentive Awards Program which supports and enhances Agency and national goals and meets employee recognition needs,
- Grant recognition commensurate with the value of the contribution to the Government, and
- Motivate employees by recognizing and rewarding those who attain high levels of performance.

NOTE: Awards shall not be mandatory. The granting of or the failure to grant an award and the amount of an award are excluded from coverage by the USDA Administrative Grievance System.

7. Delegations of Authority

The Administrator, ARS, and the Director, NAL, have authority to:

- Grant awards up to and including \$10,000.
- Grant group awards above \$10,000 as long as the award for any person does not exceed \$10,000.
- Grant awards above \$10,000 up to and including \$25,000 with the prior approval of the Office of Personnel Management. These requests must have the concurrence of the Assistant Secretary, Science and Education; the Director, OP; and the Secretary of Agriculture.
- Grant an additional \$10,000 with the approval of the President of the United States.
- Redelagate this authority.

Deputy Administrators and Area Directors have authority to:

- Grant awards up to and including \$5,000 and QSI's for their respective organizations.

- Grant group awards exceeding \$5,000 as long as the award for any one member of the group does not exceed \$5,000.
- Redelegate this authority.

Division Directors and Area Administrative Officers, ARS, have the authority to grant:

- Awards up to and including \$2,500 and QSI's for their respective organizations.
- Group awards exceeding \$2,500 as long as the award for any one member of the group does not exceed \$2,500.

Exception: Cash awards for SES employees must be approved by the Secretary of Agriculture.

8. Responsibilities

LERB will:

- Publish policies, procedures, and guidelines relating to the Awards Program.
- Provide advice and assistance to managers and supervisors in carrying out their responsibilities.
- Include information about the Awards Program in orientation and supervisory training programs.
- Ensure that appropriate communications are initiated with recognized labor organizations regarding this Program.

Area Administrative Offices will:

- Advise and assist supervisors and managers in the preparation and processing of all awards.
- Review all awards requests prior to processing and advise approving authorities if legal requirements have not been met. This review will also focus on sufficiency of justification and appropriateness of amounts of awards.
- Send the approved AD-287-2 to the Personnel Operations Branch, Greenbelt, Maryland, for processing.
- Send the Incentive Awards Coordinator a copy of the AD-287-2 and any supporting justification

to LERB.

- Provide publicity and feedback to employees about the Awards Program.
- Assist managers in planning awards ceremonies and/or presentation of awards.

Supervisors and Managers will encourage all employees to improve Government operations. They will recognize and reward individuals and groups performing special acts or services or other accomplishments that substantially exceed Government productivity or services.

9. Coverage

This DIRECTIVE covers all employees except as specifically noted for certain categories of awards. Former employees are eligible for monetary awards for contributions made while employed by the Government.

Non-Federal employees are not eligible for monetary awards but may be granted nonmonetary awards for contributions which benefit the Government. Necessary expenses, including travel and per diem, may be paid for the presentation of this type of nonmonetary recognition.

10. Performance awards

Eligibility

All WG/GS employees or former employees whose contributions were made while employed by the Government are eligible for performance awards.

Performance awards for GM employees are covered in DIRECTIVE 468.6.

Performance awards for SES, SL, and ST employees are covered by special programs managed by the National Services Branch, PD.

Criteria

- The latest performance appraisal of record must be "Superior" or "Outstanding."
- The recommendation for the award must be submitted within 60 days after the end of the appraisal period.

- No more than one Performance Award may be granted in any 52-week period.

Effect on Other Pay

A Performance Award is considered to be salary for Federal, State, and local income tax purposes and for Social Security and Medicare purposes. The amount of the award should not be adjusted upward by a sum sufficient to cover these deductions. This award is not subject to retirement deductions, nor does it affect the computation of salary differentials.

Amount of Award

Performance Awards cannot exceed 15 percent of the employee's base salary. Awards exceeding 10 percent must be forwarded through LERB, PD, to the Director, OP, USDA, for concurrence.

11. Quality Step Increases

Eligibility

Only GS employees are eligible for QSI's.

Criteria

- The latest performance appraisal of record must be Outstanding.
- The recommendation for the QSI must be submitted within 60 days after the end of the appraisal period.
- No more than one QSI may be granted in any 52-week period.

12. Superior Accomplishment Award

Eligibility

All employees (see definition of "employee" in Section E of this DIRECTIVE) are eligible for Superior Accomplishment awards, i.e. Suggestions, Special Act or Service, Time Off, or Spot Awards.

Relationship to Performance Awards

Superior Accomplishment Awards are separate from recognition based on the performance rating of record. These awards will be granted for a specific contribution (suggestion, special act or

service) either outside or within job responsibilities and may be granted at any time to individuals or groups of individuals.

Justification and Approval

A Superior Accomplishment Award must be supported by a written justification separate from the employee's rating of record. Recommendations should be prepared and acted upon as soon as possible, normally within 60 days after it is determined that the contribution warrants recognition. Provide a brief, specific description of the contribution and identify the tangible and/or intangible benefits (see EXHIBITS 2 and 3).

When Superior Accomplishment Awards are a part of a special awards program, the justification can be the nomination writeup submitted for the awards program.

Other Provisions

A Superior Accomplishment Award is in addition to regular pay and does not increase an employee's base pay. The award is subject to the withholding of income tax, Social Security, and Medicare deductions.

A Superior Accomplishment Award shall not be used as a substitute for pay. Acceptance of a monetary award constitutes an employee's agreement that the use by the Government of the idea, method, or device for which the award is paid does not form the basis for a further claim against the Government.

13. Nonmonetary Recognition

Career Service Recognition

The Agency's Career Service Recognition Program recognizes full- and part-time employees by granting 10-, 20-, 25-, 30-, 40-, and 50-year Career Service Awards based on total service to the U.S. Government.

LERB will provide the AAO a quarterly listing of employees who have completed 10-, 20-, and 25-years of service during the previous quarter and the appropriate certificates.

The AAO will order the awards emblems and will arrange for appropriate presentation of Career Service Certificates and emblems.

LERB will be responsible for appropriate recognition of all ARS employees who have completed 30-, 40-, and 50-years of service and for Headquarters employees who have completed 10-, 20-, and 25-years of service.

Recognition for Private Citizens

Private citizens and organizations who have contributed to the accomplishments of ARS' mission or goals should be appropriately recognized. They cannot receive a monetary award. Certificates, plaques, or other items of nominal value would be appropriate.

Department Honor Awards Program

The Department's Honor Awards Program gives special recognition to employees whose outstanding accomplishments have contributed to increased effectiveness or efficiency. These are honorary awards.

LERB distributes special instructions regarding this program annually in September. Nominations are due in LERB in October.

14. Award Ceremony Expenses

Necessary expenses for the honorary (monetary and nonmonetary) recognition of employees may be authorized. Awards should be presented in the presence of the recipient's peers. The formality of the ceremony and the level of the presenting official should reflect the importance of the award.

Traditional Certificates of Appreciation or Merit may be enhanced by hand-lettering or use of computer graphics. Awards may also be enhanced through use of plaques, pen and pencil sets, engraved paperweights, clocks, etc. When appropriate, these items should bear the Agency or Department identification and be suitable for display in an office setting.

Refreshments, paid from Government funds, would be appropriate for ceremonies such as special awards programs and annual programs when employees are being recognized for special achievements of the past year and for career service milestones.

Expenses can be authorized on an AD-700, Procurement Request, or reimbursement claimed on an SF-1164, Claim for Reimbursement for Expenditures on Official Business. Reimbursement can be obtained from the Imprest Fund. The following notation should be typed on these forms: Expenses allowed in accordance with 5 U.S.C. 4501-06.

15. Special Awards Programs

Special awards programs other than the programs already described in this DIRECTIVE may be

developed to meet specific needs of an organization. Such programs can often serve as an aid to achieve ARS goals and objectives. They can be designed to promote cost reduction and recognize scientific excellence, achievement of equal employment goals, occupational health and safety, energy conservation, and improved services to the public.

All these programs must be approved by the Director, PD, prior to being implemented or changed.

These programs can be for monetary or nonmonetary recognition. If the nature of the award is monetary, a cash award may be granted when contributions meet the criteria for a Superior Accomplishment Award.

Special awards programs must include the following elements:

- Purpose of the program
- Criteria
- Eligibility requirements
- Method of selection
- Rating procedures
- Nature of recognition

PD will review the plan and provide staff assistance if changes are necessary or if assistance is needed in implementing the program.

Special awards programs managed by LERB include:

- ARS Research Scientist of the Year Awards Program
- ARS Hall of Fame Awards Program
- Technology Transfer Awards Program
- ARS Administrative Support Awards for Excellence

16. External Awards

Many external organizations invite the Department/Agency to submit nominations of outstanding employees for special awards programs. These programs are additional means for recognizing high level achievement of ARS employees and for publicizing their accomplishments on a national level.

Nominations for awards that are national in scope will be coordinated by LERB. Exhibit 4 of this DIRECTIVE contains a listing of the major external awards. LERB will send out quarterly reminders of upcoming awards via electronic mail. Individual announcements will be sent out as programs are added, changed, or deleted.

When employees are contacted directly by an outside organization and offered an award or asked to

submit a nomination for an award, they should contact their Area Ethics Officer or the Ethics Officer, LERB, regarding the propriety of accepting such an award. Acceptance of an award without prior approval can result in disciplinary action if it is later found to be a conflict of interest.

17. Procedures For Processing Awards

These are the procedures for processing QSI's, Performance Awards, and Superior Accomplishment Awards.

Award nominations contain privileged information and should be made available only to those involved in the decision process. Nominating officials should not discuss award recommendations with nominees until the award has been approved.

Recommending Official

- Prepare AD-287-2 (EXHIBIT 1) according to instructions on the form and forward to reviewing official. Awards must be approved at a level higher than the supervisor who recommends the award.
- For QSI's and Performance Awards, attach a copy of the current Performance Appraisal. This is the only justification needed.
- For a Superior Accomplishment Award, describe what the employee did and how it benefited the Government.

Reviewing Official

- If recommendation is disapproved, return to submitting official stating reasons.
- If recommendation is approved, sign and forward to approving official.
- Approving Official
- If recommendation is disapproved, return to submitting official stating reasons.
- Areas--If recommendation is approved, sign and forward to AAO for processing.
- Headquarters--If recommendation is approved, sign and forward to LERB, PD, for processing.

NOTE: All recommendations for awards for SES employees must be forwarded through PD for the signature of the Secretary of Agriculture.

AAO

- Review, assuring legal requirements and compliance with this DIRECTIVE. Forward to POB, Greenbelt, Maryland, for final processing.

JANE L. GILES

Deputy Administrator

Administrative Management

Exhibits

- 1 AD-287-2, Recommendation and Approval of Awards
- 2 Cash Award Scale - Tangible benefits
- 3 Cash Award Scale - Intangible benefits
- 4 Major External Awards